PROVINCE OF SASKATCHEWAN

09-10

ANNUAL REPORT

MINISTRY OF AGRICULTURE

Irrigation Crop
Diversification Corporation

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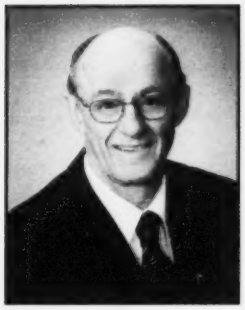
This annual report is also available in electronic format from the Ministry's website at **www.agriculture.gov.sk.ca**.

Letter of Transmittal



July 2010

His Honour
The Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of the Province of Saskatchewan

May it please Your Honour:

As the Minister of Saskatchewan Agriculture, it is my pleasure to submit the annual report for the Irrigation Crop Diversification Corporation of Saskatchewan for the year ending March 31, 2010.

Respectfully submitted,

Bob Bjornerud

Bob Bjor..rud
Minister of Agriculture

June 2010

The Honourable Bob Bjornerud
Minister of Agriculture

Sir:

I wish to present to you the annual report of the Irrigation Crop Diversification Corporation for the 12 months ending March 31, 2010.

Respectfully submitted by

Paul Heglund, Chair

Objects and Purposes of ICDC - *The Irrigation Act, 1996*

The objects and purposes of ICDC are:

- to research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;
- to develop or assist in developing varieties of crops suitable for irrigated conditions;
- to provide land, facilities and technical support to researchers to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation and to provide information respecting that research to district consumers, irrigation districts and the public;
- to co-operate with the Minister in promoting and developing sustainable irrigation in Saskatchewan.

Board of Directors

The following served as directors of ICDC in 2009:

Name	Position	Irrigation District	Development Area Represented	Election Year (#terms)
Rick Swenson	Chairman	Baildon ID	SEDA	'09 (2)
Randy Bergstrom	Director	Luck Lake ID	LDDA	'10 (2)
Rob Oldhaver	Director	Miry Creek ID	SWDA	'11 (2)
Kevin Plummer	Director	Moon Lake ID	NDA	'09 (2)
Paul Heglund	Vice Chair	Vidora ID	SWDA	'10 (2)
Francis Kinzie	Director	Pike Lake	Non-District	'09 (2)
Neil Stranden	Alt. Vice Chair	SSRID	LDDA	'11 (2)
Keith Forrest	Director	Private Irrigator	SIPA rep.	app.
Jan Könst	Director	SSRID	SIPA rep.	app.
John Babcock	Director		SA rep.	OC
Abdul Jalil	Director		SA rep.	OC

The Four Development Areas are: Northern (NDA), South Western (SWDA), South Eastern (SEDA) and Lake Diefenbaker (LDDA) as defined in ICDC's bylaws.

ICDC directors are elected by district delegates to the annual meeting. Each irrigation district is entitled to send one ICDC delegate per 5,000 irrigated acres or part thereof. Two directors are elected from LDDA, two from SWDA, and one each from NDA and SEDA. Non-district irrigators elect one representative.

The Saskatchewan Irrigation Projects Association (SIPA) and Saskatchewan Agriculture (SA) appoint two directors each to the ICDC board. The ICDC board must, by law, have irrigators in the majority.

2009-10 Highlights

Irrigation Crop Diversification Corporation projects in 2009-10 included:

- Field Crops – demonstrations on fungicide usage for wheat, dry bean varieties, canola fungicide and seeding rate demonstrations, and research on crop variety selections for irrigation;
- Forage Crops – demonstrations on forage varieties and annual cereal forages, and forage variety research trials;
- Water Management – irrigation scheduling on cereals, oilseeds, dry beans, potatoes, forages, corn and trees, related to an Agro-Forestry project, and demonstrated the Alberta Irrigation Management Model (AIMM);
- Ultra Value Crops – developing an irrigated organic crop rotation by including alfalfa and potato crops;
- South West Irrigation Development Area – demonstration of alfalfa varieties under flood irrigation, demonstration of annual cereals as forage, demonstration of salt tolerant forage, demonstration of phosphate sources for forages, align field research program with research and development priorities identified by ICDC Board;
- Technology Transfer – Saskatchewan Ministry of Agriculture staff working with ICDC participated in and provided a number of industry field days in 2009. Staff provided an Irrigation Management Workshop, and also developed presentations and contributed to publications in order to promote irrigation technology advances.

More detailed information on ICDC projects is available at: www.irrigationsaskatchewan.com.

IRRIGATION CROP DIVERSIFICATION CORPORATION

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Year Ended March 31, 2010

AUDITOR'S REPORT

FINANCIAL STATEMENTS

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- Statement of Changes in Net Assets
- Statement of Revenues and Expenditures
- Statement of Cash Flow
- Notes to Financial Statements

LOIS A. JOHNSON, CMA
CERTIFIED MANAGEMENT ACCOUNTANT
P.O. Box 22 R.R.1
Delisle, Sask. S0L 0P0
Phone: 493-2690

AUDITOR'S REPORT

To the Members of Legislative Assembly Province of Saskatchewan

I have audited the statement of financial position of Irrigation Crop Diversification Corporation as at March 31, 2010 and the statements of revenues and expenditures, changes in net assets and cash flow for the year then ended. These financial statements are the responsibility of the company's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the company as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Delisle, Saskatchewan
May 21, 2010

CERTIFIED MANAGEMENT ACCOUNTANT

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Financial Position
March 31, 2010

	2010	2009
ASSETS		
CURRENT		
Cash *(Note 3)*	**$ 71,616**	$ 58,156
Term deposits	**129,420**	128,178
Accounts receivable	**7,639**	4,476
Goods and services tax recoverable	**733**	5,420
	$ 209,408	$ 196,230
LIABILITIES AND NET ASSETS		
CURRENT		
Prepaid Levies	**$ 3,141**	$ 3,976
NET ASSETS		
General fund	**206,267**	192,254
	$ 209,408	$ 196,230

See notes to financial statements
Lois A. Johnson CMA

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Changes in Net Assets
Year Ended March 31, 2010

	General Fund	**2010**	2009
NET ASSETS - BEGINNING OF YEAR	$ 192,254	**$ 192,254**	$ 211,333
Excess of revenue over expenses	14,013	**14,013**	(19,079)
NET ASSETS - END OF YEAR	$ 206,267	**$ 206,267**	$ 192,254

See notes to financial statements
Lois A. Johnson CMA

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Revenues and Expenditures
Year Ended March 31, 2010

	2010	2009
REVENUE		
Member Levies	**$ 33,584**	$ 31,798
Operating Grant	**35,000**	35,000
Contract Funding	**10,152**	19,959
	78,736	86,757
EXPENSES		
Accounting fees	**2,100**	2,048
Advertising and promotion	**5,189**	7,960
Bad debts	**-**	2,671
Insurance	**1,575**	1,575
Memberships	**70**	-
Office	**1,220**	27
Contract Funding Applied	**-**	19,959
CSIDC Crop Varieties	**41,980**	42,377
Demonstration Projects	**4,700**	23,521
Other Project Costs	**9,423**	5,460
Forage Centres	**-**	3,126
	66,257	108,724
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	**12,479**	(21,967)
OTHER INCOME	**1,534**	2,888
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**$ 14,013**	$ (19,079)

See notes to financial statements
Lois A. Johnson CMA

IRRIGATION CROP DIVERSIFICATION CORPORATION
Statement of Cash Flow
Year Ended March 31, 2010

	2010	2009
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	**$ 14,013**	$ (19,079)
Changes in non-cash working capital:		
Accounts receivable	**(3,163)**	22,250
GST payable (receivable)	**4,687**	(2,352)
Prepaid Levies	**(835)**	(1,972)
	689	17,926
Cash flow from (used by) operating activities	**14,702**	(1,153)
INCREASE (DECREASE) IN CASH FLOW	**14,702**	(1,154)
Cash - beginning of year	**186,334**	187,488
CASH - END OF YEAR *(Note 3)*	**$ 201,036**	$ 186,334
CASH FLOW SUPPLEMENTARY INFORMATION		
Interest paid	**$ -**	$ -
Income taxes paid	**$ -**	$ -

See notes to financial statements
Lois A. Johnson CMA

1. DESCRIPTION OF BUSINESS

1. The objects and purposes of Irrigation Crop Diversification Corporation are the following:

a) to research and demonstrate to producers and irrigation districts profitable agronomic practices for irrigated crops;

b) to develop or assist in developing varieties of crops suitable for irrigated conditions;

c) to provide land, facilities and technical support to researchers to conduct research into irrigation technology, cropping systems and soil and water conservation measures under irrigation and to provide information respecting that research to district consumers, irrigation districts and the public;

d) to co-operate with the Minister in promoting and developing sustainable irrigation in Saskatchewan.

2. ICDC was established under the Irrigation Act of 1996. ICDC is not an agent of the Crown. Membership consists of Irrigation Districts established throughout the province by Sask Water Corporation. ICDC is a non-profit organization exempt from Income Tax under section 149 (1)(j) of the Income Tax Act.

ICDC competes for funding from governmental programs, growers' associations and any other opportunities it encounters. ICDC contracts with Canada Saskatchewan Irrigation Crop Diversification Corporation to perform specific research, which results are transmitted to ICDC as well as the funding entities. Levies assessed on Irrigation Districts and other irrigated lands are also used to fund research, as well as the operating costs of the Corporation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments:

Investments are recorded at the lower of amortized cost and market value

Revenue Recognition:

Restricted contributions related to specific operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other revenues are reported on the accrual method.

Contributed Services:

Irrigation Crop Diversification Corporation is administered through the offices of Saskatchewan Agriculture.

3. CASH

	2010	2009
Cash	$ 71,616	$ 58,156
Term deposits	129,420	128,178
	$ 201,036	$ 186,334

Funding from governmental programs is based on a percentage of research costs being borne by ICDC. The investment funds permit ICDC to qualify for such research funding to facilitate its purpose.